

24 August 2021

ASX Announcement (AMX)

Aerometrex delivers strong subscription revenue growth in FY21 results

Aerometrex Limited (ASX: AMX) today announced its results for the 12 months ended 30 June 2021 (FY21), a year that saw the Company deliver a strong increase in Annual Recurring Revenue (ARR) from its MetroMap subscription service.

FY21 Key Highlights (vs FY20)

- Annual Recurring Revenue (ARR) up 189% to \$4.8 million
- Total Revenue up 4% to \$20.9 million
 - Strong H2 growth in revenue, up 44% on H1 FY21
- Operating cash flow of \$5.1 million (FY20: \$8.2 million) funding growth initiatives
- Strong balance sheet supports growth strategy, with \$16.5 million cash and \$3.8 million in undrawn debt facilities
- Completed integration of Spookfish Australia
- Signed US 3D contract covering San Francisco Bay Area for Google

Aerometrex is positioned for growth – with R&D investments into AI & Machine Learning, utilisation of 3D modelling in applications for gaming, LiDAR 3D data analytics, and strong growth in MetroMap recurring subscription revenues.

Commenting on the FY21 results, Aerometrex Managing Director Mark Deuter said:

“During the year we successfully executed on our MetroMap growth strategy, underpinning a strong increase in the Company’s Annual Recurring Revenue that grew 189% to \$4.8 million. MetroMap’s statutory subscription revenue grew by \$2.9 million, or 416%, on the same time last year.

“The strength of our business, and demand for our product, can be seen in the continued growth in revenue of 4% for the year, albeit less than previous growth rates, despite the impact from COVID-19 lockdowns. Importantly, revenue grew strongly in the second half of FY21, up 44% on the first half of FY21.

We generated robust operating cash flow of \$5.1 million, supporting our continued investment into datasets and IT infrastructure, as we build capacity ahead of the revenue curve. We ended the year with a strong balance sheet with \$16.5m in available cash to support future growth initiatives.”

Operational performance

Aerial imagery sales resources have been reallocated to grow the higher margin MetroMap subscription business, to deliver further growth in ARR. Spookfish was successfully integrated and multi-year contracts were signed with enterprise clients following targeted marketing campaigns.

Aerometrex ended the year with an increase in contracted liabilities of \$2.2 million (up 114% on FY20), representing MetroMap revenue in advance for FY22. Investments were made to increase brand awareness and to grow MetroMap's sales and customer service teams to drive growth in FY22.

The 3D business experienced a reduction in 1H21 revenue to \$1.8 million (FY20: \$3.4 million) as clients initially made conservative purchasing decisions during the initial impact of COVID-19. Revenue in 2H21 recovered, to be up 60% on 1H21. This is mainly interpreted as a return to consumer confidence and expending budgets prior to the end of the financial year.

The Company focused on building its portfolio of US datasets with high commercial value, capturing Denver, Florida and San Francisco, along with headquarters for Apple, Facebook, Tesla and Google. In February, Aerometrex's first US 3D dataset sale was made to a leading US defence contractor, and a purchase order from Google was received in May for the San Francisco model, which will be delivered in FY22.

LiDAR contributed 43% of operating revenue during FY21, with revenue recovering in 2H21 to \$5.3 million (up 45% on 1H21), mostly attributable to improved consumer sentiment in 2H and increased sensor capacity. Investments made to introduce a fourth sensor and upgrade existing sensors, provides capacity for Aerometrex to significantly scale up operations and provide higher quality data with higher sampling rates at greater efficiency. The Company has developed and refined internal work processes that should drive efficiency gains and improve margins during FY22.

R&D enhancements were made to position Aerometrex for growth, notably in the areas of AI and machine learning. These improvements will see greater efficiencies in information extraction for aerial imagery and LiDAR. AI-derived improvements in production processes and automated workflows are also expected to realise cost efficiencies and response times. The Company is working with several leading 3D visualisation companies including Geographic Information Systems and gaming engine technology, and signed an agreement with the Australian Institute of Machine Learning to accelerate data analytics capabilities.

Positive outlook for FY22, underpinned by transition to MetroMap subscription model, new analytics features and US 3D opportunities

Commenting on the Company's outlook, Mr Deuter said: "Having laid the groundwork for strong growth from our MetroMap subscription business and gained traction in the US with initial 3D dataset sales, we are well placed to grow in FY22.

"We aim to continue to scale MetroMap and expect to see substantial revenue growth from this business in FY22, with our capture program providing even more value for customers. "Our partner program continues to grow providing a win-win scenario for both our partners and Aerometrex. We are excited by the ongoing developments of our MetroMap platform and look forward to the launch of MetroMap 3.0 that will further enhance the customer experience.

"We remain committed to further enhancing our technology, with investments planned to introduce new improved analytics features. The enhanced use of AI and machine learning will not only improve processing efficiency, but will also provide exciting new tools for customers across our MetroMap, 3D and LiDAR product suite.

"Another key priority is capitalising on the vast opportunities in the US 3D market and we plan to implement initiatives to drive growth and revenue, including the establishment of a US Advisory Board and launch of a US 3D on-line store. We expect our enhanced US sales approach will deliver sales growth in FY22 as we penetrate this billion dollar emerging market."

Aerometrex will hold a group investor conference call at 11:00am AEST today.

To pre-register for this conference, please follow the link below.

- <https://s1.c-conf.com/diamondpass/10015381-asgn35t.html>

This release is approved by the Board of Directors of Aerometrex Limited.

– ENDS –

ADDITIONAL INFORMATION

For further information, contact:

Corporate

Mark Deuter
Managing Director
P: +61 8 8362 9911
E: investorrelations@aerometrex.com.au
W: <https://aerometrex.com.au/asx-announcements>
MetroMap: www.metromap.com.au

Investors

Justin Foord
Director at Market Eye
M: +61 402 600 691
E: justin.foord@marketeye.com.au

Media

Tristan Everett
Executive Director at Market Eye
M: +61 403 789 096
E: tristan.everett@marketeye.com.au

ABOUT AEROMETREX

Aerometrex Limited is a professional aerial mapping business specialising in aerial photography, photogrammetry, LiDAR, 3D modelling and aerial imagery subscription services for a growing client base.

Aerometrex operates its full range of services throughout Australia and also extends its 3D modelling service to the US and Europe.

With a strong and experienced Board and Executive team, Aerometrex's team has 930 years of industry experience.

For further information, please visit www.aerometrex.com.au.